



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#17 NOVEMBER 8, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
partners*

November 08, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT (ALL DISTRICTS) (3 VOTES)

SUBJECT

To request Board approval for the Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

- (1) Account Number LAC+USC MC – Various \$782
- (2) Account Number LAC+USC MC – Various \$3,985
- (3) Account Number LAC+USC MC – Various \$4,456
- (4) Account Number LAC+USC MC – Various \$4,875
- (5) Account Number H-UCLA MC – Various \$4,900
- (6) Account Number LAC+USC MC – Various \$5,000
- (7) Account Number LAC+USC MC – Various \$14,505
- (8) Account Number H-UCLA MC – 1846635 \$25,000
- (9) Account Number LAC+USC MC – Various \$8,333
- (10) Account Number LAC+USC MC – Various \$201,400



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Trauma patients who received medical care at non-County facilities:
(11) Account Number EMS - 246 \$19,944

Total All Accounts: \$293,180

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (8) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases. The compromise offer of settlement for patient account (9) is recommended because the patient cannot pay the full amount of charges based on his current financial status, and this is the highest amount he is able to contribute to settle the account. The compromise offer of settlement for patient account (10) is recommended because the offer is the highest amount that could be negotiated with the patient's insurance provider (Commercial or HMO) under the circumstances of the case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary co-insurance or deductible obligations.

Trauma patients who received medical care at non-County facilities: The compromise offer of settlement for patient account (11) is recommended because the County has agreements with certain non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such trauma care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$293,180.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, your Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, your Board approved a revised ordinance granting the Director authority to

reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by your Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Fund.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:lg

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: NOVEMBER 8, 2011

Total Gross Charges	\$20,994	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$20,994	Date of Service	Various
Compromise Amount Offered	\$782.20	% Of Charges	4 %
Amount to be Written Off	\$20,211.80	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$20,994 for medical services rendered. The patient is an out-of-county patient and no other coverage was found. The patient's third party liability (TPL) claim settled for \$7,761.61 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$2,587.20	\$2,587.20	33 %
Lawyer's Cost *	-	-	-
LAC+USC Medical Center **	\$20,994	\$782.20	10 %
Other Lien Holders **	\$6,250	\$3,610	47 %
Patient	-	\$782.21	10 %
Total	-	\$7,761.61	100 %

* The attorney agreed to waive his costs.

** Lien holders are receiving 57% of the settlement (10% to LAC+USC Medical Center and 47% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: NOVEMBER 8, 2011

Total Gross Charges	\$32,623	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$32,623	Date of Service	Various
Compromise Amount Offered	\$3,985.17	% Of Charges	12 %
Amount to be Written Off	\$28,637.83	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$32,623 for medical services rendered. The patient has restricted Medi-Cal (e.g., covers ER services) that did not cover the services provided. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$337.15	\$337.15	2 %
LAC+USC Medical Center *	\$32,623	\$3,985.17	27 %
Other Lien Holders *	\$2,256.68	\$1,692.51	11 %
Patient	-	\$3,985.17	27 %
Total	-	\$15,000	100 %

* Lien holders are receiving 38% of the settlement (27% to LAC+USC Medical Center and 11% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: NOVEMBER 8, 2011

Total Gross Charges	\$24,726	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$24,726	Date of Service	Various
Compromise Amount Offered	\$4,456	% Of Charges	18 %
Amount to be Written Off	\$20,270	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$24,726 for medical services rendered. The patient qualifies for Section 1011 coverage and has ATP with no liability. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	-	-	-
LAC+USC Medical Center *	\$24,726	\$4,456	30 %
Other Lien Holders *	\$3,213.74	\$544	4 %
Patient	-	\$5,000	33 %
Total	-	\$15,000	100 %

* Lien holders are receiving 34% of the settlement (30% to LAC+USC Medical Center and 4% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: NOVEMBER 8, 2011

Total Gross Charges	\$47,509	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$47,509	Date of Service	Various
Compromise Amount Offered	\$4,875	% Of Charges	10 %
Amount to be Written Off	\$42,634	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$47,509 for medical services rendered. The patient has ATP with no liability and no other coverage was found. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$250	\$250	1 %
LAC+USC Medical Center	\$47,509	\$4,875	33 %
Other Lien Holders	-	-	-
Patient	-	\$4,875	33 %
Total	-	\$15,000	100 %

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5
DATE: NOVEMBER 8, 2011

Total Gross Charges	\$47,396	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$47,396	Date of Service	Various
Compromise Amount Offered	\$4,900	% Of Charges	10 %
Amount to be Written Off	\$42,496	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient and outpatient gross charges of \$47,396 for medical services rendered. The patient's Medi-Cal application is pending. If Medi-Cal is later approved, DHS will bill Medi-Cal and refund the settlement amount. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost *	-	-	-
H-UCLA Medical Center **	\$47,396	\$4,900	33 %
Other Lien Holders **	\$840	\$100	1 %
Patient**	-	\$5,000	33 %
Total	-	\$15,000	100 %

* The attorney agreed to waive his costs.

** Lien holders are receiving 34% of the settlement (33% to H-UCLA Medical Center and 1% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6
DATE: NOVEMBER 8, 2011

Total Gross Charges	\$98,596	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$98,596	Date of Service	Various
Compromise Amount Offered	\$5,000	% Of Charges	5 %
Amount to be Written Off	\$93,596	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$98,596 for medical services rendered. The patient qualifies for Section 1011 coverage and has ATP (for inpatient services) and ORSA (for outpatient services) with no liability. DHS will refund any payments received from Section 1011 once payment from this settlement is received. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees *	\$6,000	\$6,000	40 %
Lawyer's Cost *	\$1,873	\$873	6 %
LAC+USC Medical Center **	\$98,596	\$5,000	33 %
Other Lien Holders **	\$1,590	\$325	2 %
Patient	-	\$2,802	19 %
Total	-	\$15,000	100 %

* Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and her attorney. The attorney agreed to reduce his cost from \$1,873 to \$873.

** Lien holders are receiving 35% of the settlement (33% to LAC+USC Medical Center and 2% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7
DATE: NOVEMBER 8, 2011

Total Gross Charges	\$42,380	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$42,380	Date of Service	Various
Compromise Amount Offered	\$14,505.28	% Of Charges	34 %
Amount to be Written Off	\$27,874.72	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$42,380 for medical services rendered. The patient has ATP (for inpatient services) and ORSA (for outpatient services) with no liability. The patient's third party liability (TPL) claim settled for \$44,349 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$14,635.17	\$14,635.17	33 %
Lawyer's Cost	\$556.92	\$556.92	1 %
LAC+USC Medical Center *	\$42,380	\$14,505.28	33 %
Other Lien Holders *	\$1,969	\$630	1 %
Patient	-	\$14,021.63	32 %
Total	-	\$44,349	100 %

* Lien holders are receiving 34% of the settlement (33% to LAC+USC Medical Center and 1% to others).

Based on DHS' outside collection agency's assessment and recommendation, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8
DATE: NOVEMBER 8, 2011

Total Gross Charges	\$226,236	Account Number	1846635
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$226,236	Date of Service	6/11/11 – 7/5/11
Compromise Amount Offered	\$25,000	% Of Charges	11 %
Amount to be Written Off	\$201,236	Facility	H-UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H-UCLA Medical Center and incurred total inpatient gross charges of \$226,236 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$33,333	\$33,333	33 %
Lawyer's Cost	\$1,781	\$1,781	2 %
H-UCLA Medical Center *	\$226,236	\$25,000	25 %
Other Lien Holders *	\$6,882	\$6,882	7 %
Patient**	-	\$33,004	33 %
Total	-	\$100,000	100 %

* Lien holders are receiving 32% of the settlement (25% to H-UCLA Medical Center and 7% to others).

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income to meet her obligation to H-UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 9
DATE: NOVEMBER 8, 2011

Total Gross Charges	\$85,317	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$85,317	Date of Service	Various
Compromise Amount Offered	\$8,333.33	% Of Charges	10 %
Amount to be Written Off	\$76,983.67	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$85,317 for medical services rendered. The patient is an out-of-country patient and his Medi-Cal application is pending. The patient requested this compromise because he will leave the country soon and will need ongoing medical care. If Medi-Cal is subsequently approved, DHS will bill Medi-Cal and refund the settlement amount. Based on the information provided, it appears the patient does not have the financial means to pay the full cost of care and this is the highest amount he is able to contribute to settle the account.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 10
DATE: NOVEMBER 8, 2011

Total Balance	\$289,180	Account Number	11859921
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$289,180	Date of Service	6/5/11 - 6/29/11
Compromise Amount Offered	\$201,400	% Of Charges	70 %
Amount to be Written Off	\$87,780	Facility	LAC+USC Medical Center

JUSTIFICATION

The above compromise offer of settlement is the highest amount that the patient's insurance (Commercial or HMO) could offer under the circumstances of this case, and receipt of such insurance proceeds prevents further collection from the patient, except for possible beneficiary coinsurance or deductible obligations.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 11
DATE: NOVEMBER 8, 2011

Total Charges (Providers)	\$39,889	Account Number	EMS 246
Amount Paid to Provider	\$17,888	Service Type / Date of Service	Inpatient Services 8/7/10 - 8/9/10
Compromise Amount Offered	\$19,944	% of Payment Recovered	111%

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at Henry Mayo Newhall Memorial Hospital and incurred total inpatient gross charges of \$39,889 for medical services rendered. The provider has received payment from the Los Angeles County Trauma Fund in the amount of \$17,888. The patient's third-party claim has been settled for \$50,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$50,000)
Attorney fees	\$16,666	\$16,666	33 %
Other Lien Holders	2,263	\$883	2 %
Los Angeles County	\$39,889	\$19,944	40 %
Patient		\$12,507	25 %
Total		\$50,000	100 %

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 111% (\$19,944) of amount paid to Henry Mayo Newhall Memorial Hospital.